

KOSOVO

Annual Meeting 2021
Written Statement of the Republic of Kosovo by
Hekuran Murati – Minister of Finance
Governor of the Republic of Kosovo

Dear Chair,

Honorable Ladies and Gentlemen,

It is with great pleasure that I address this year's Annual Meeting on EBRD's 30th anniversary and I take the opportunity to express our appreciation to those involved in hosting yet again another successful virtual Annual Meeting. I would also like to thank members of our constituency – Ireland, Denmark and Lithuania – for their support and cooperation throughout the years and especially for the preparations of documents for this year's Annual Meeting.

Despite the unprecedented challenging environment across all countries of operations, we commend the Management and Staff for the quick and convincing response to the crisis. The flexibility and the effectiveness of instruments deployed – which led to strong investment performance and private capital mobilization rate – confirmed once again EBRD's strength and its distinctive position amongst its IFI peers. Together with the record level of investments, we also appreciate the robust Transition Impact results achieved across regions and sectors and we strongly support and encourage the Management to further step up investments. Although we note and appreciate the overall increased rate of disbursements during 2020, we would like to highlight the need for continuous focus and additional joint engagement to increase the pace of disbursements across countries of operations and especially, in the countries of Western Balkan region and Kosovo in particular.

As in other EBRD countries of operations, the Covid-19 crisis has had quite an impact on Kosovo's economic activity. Despite a flexible and supportive policy stance since the onset of the crisis, the economic activity during 2020 contracted markedly, although not as severe as initially expected. While uncertainties surrounding the recovery are still present, with an increased pace of vaccination rollout, the early data for 2021 indicate for a strong rebound during 2021-22. In this light, in order to ensure an inclusive and sustainable economic recovery, we encourage for a more proactive approach in the private sector, but also in public sector projects that are essential to enable a private sector led-growth.

The accelerated shift towards digitalization seems unlikely to reverse. In this direction, EBRD with the latest Strategic Capital Framework (2021-25) is well positioned to support the digital economy and the use of technology to enhance competitiveness and accelerate innovation of our private sector. In addition, as EBRD thrives amongst its IFI peers in capital market development, we look forward to working closely to further develop our financial market, one that is not only based on debt financing, but also on alternative and innovative tools of financing that will support the growth of our private sector. As a small open economy, the SME sector remains the backbone of our economy. Thus, additional support will be needed, both financially and through policy support, to SMEs and especially those in the production sector; women and youth-led enterprises, to increase their productivity, competitiveness and strengthen their resilience.

In addition to untapped private sector opportunities, during our recovery phase, a joint effort should be given to key strategic public investments as well. Our infrastructure connectivity agenda has progressed well, while more joint efforts would be needed in energy affordability and security, energy efficiency and diversification of energy sources. In this endeavor, we acknowledge the importance of responding to climate change – however challenging that may be for us vis-à-vis other development needs and priorities. In this context, we are encouraged by the approach we are about to adopt on the EBRD’s Climate Ambition.

We believe that it presents a challenging goal for the Bank to be more climate-ambitious for more developed countries while yet allowing room to be pragmatic in supporting a smooth and realistic transition of heavily coal-dependent countries towards greener sources of energy. In this aspect, we believe that there is room for EBRD to extend the timeframe for supporting countries in their decarbonisation path. As such, we see EBRD as an irreplaceable partner in developing our ambitious long-term energy transitioning plan, which takes into close consideration affordability for households and businesses, among other important elements. Therefore, we remain confident that our energy sector’s long-rooted challenges represent also an opportunity for achieving a growth path that is resilient, inclusive, and sustainable.

By building on this past excellent cooperation and seizing the numerous opportunities ahead, let me conclude by reiterating our strongest commitment to deepening of our cooperation in addressing our remaining challenges.

Thank you!